State Higher Education Labor Relations Board

839 Bestgate Road, Suite 400 ◊ Annapolis, MD 21401

The Honorable Robert L. Ehrlich, Governor

FY 2005 Budget Request

Before the House Committee on Appropriations
Subcommitee on Education and Economic Development
Hon. James J. Proctor, Chair
Tuesday, January 27, 2004

Karl K. Pence
SHELRB Executive Director

Mr. Chairman and Committee Members,

The Board concurs with the recommendation of the Department of Legislative Services analyst that the Committee approve an authorized budget of $399,369 for Fiscal Year 2005 for this agency.

This represents no increase over the FY 04 authorization.

Furthermore, the Board supports the recommendation that the agency continue to be funded by reimbursement from affected higher education institutions. As noted in the recommendation, the Board is now in its 3rd fiscal year and is beginning to establish a better record of costs and expenditures. Although there remain several areas still very hard to estimate, as indicated in the analysis, it would appear that the Board could request a significantly smaller reimbursement from the institutions when the account is settled in the fourth quarter.

However, it is important to note that during Fiscal Year 2002 when the Board funding was first established, and subsequently, the institutions have not received additional general funds to fund the additional cost of reimbursing the SHELRB. They have absorbed it. At this time, to reduce their appropriation by the amount that may be available to offset the current year's reimbursement, at whatever portion of the total available, would appear to be a reduction in the higher education appropriation. Of course, that is a decision that has to be made by the legislative bodies separately from this authorization.

The Board would prefer to apply only 50% of its balance from previous years in requesting the reimbursement for FY 04 to permit the Board to be in a position to handle potential unanticipated high costs that could be associated with activities generated by a change in federal policy under the Federal Labor Standards Act to which unit designations in the Maryland Higher Education Collective Bargaining Statute are pinned as well as to handle the potential for hearing costs through the Office of Administrative Hearings. Our plan would be to do the same thing in the 4th quarter of FY 05, should the balance still be available and it be prudent to do so, thus mitigating the impact of this agency's costs on the institutions.

# # #